

Are there differences in how leaders lead across the globe? A dynamic approach to cross-cultural influences on the leadership process

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TRANSLATING LEADERSHIP PRACTICES ACROSS CULTURES -
A DYNAMIC APPROACH TO CROSS-CULTURAL INFLUENCES ON THE
LEADERSHIP PROCESS

Caroline Rook*

Henley Business School, United Kingdom

Tim Vriend

University of Groningen, Netherlands

Harry Garretsen

University of Groningen, Netherlands

Janka Stoker

University of Groningen, Netherlands

Manfred F. R. Kets de Vries

INSEAD, France & KDVI, United Kingdom

Abstract

Looking at the global context of the work of many executives, previous research suggests that culture is a dominant variable that influences leadership interactions. However, the interconnected business world might have lead to ever closer connections between leadership practices across organisations and geographies. Therefore, this study revisits the question of differences and similarities of leadership across cultures in East and West. In particular, we aim to explore whether leaders do engage in global leadership practices irrespective of their own or their team's cultural background. In addition, we intend to examine whether the team members' cultural background influence their perceptions of the leader's behaviour. Therefore, we are able to examine how effective leadership interactions are born out of a dynamic interplay of the multiple cultures, which leaders and their superiors and subordinates possess. Through multilevel regression analysis this study explores self-ratings of 12,128 global leaders and ratings of their subordinates and superiors in the Global Executive Leadership Inventory (GELI).

We find ...

key words: global leadership, cross-cultural leadership, 360 degree assessment, GELI

* Corresponding author: Henley Business School, Greenlands, Henley on Thames, RG9 3AU; e-mail: c.rook@henley.ac.uk; phone: +44 (0)1491 418780

Organisations have changed over the last decades due to the increasing globalisation of business. In particular, looking at the global context of the work of many executives, leadership in modern organisations seems to increasingly entail working within a multi-cultural team setting rather than with a specific culture (i.e., traditional expatriate assignments). For example, in the Netherlands not just the employees but also the top management teams of larger corporations are becoming more culturally diverse (Heijltes, Olie, & Glunk, 2003).

As a global work environment seems to be becoming the norm in many organisations, we need to develop an understanding of how to develop successful leadership behaviour within this specific context. For example, should a Spanish executive taking on a position at the headquarter of a multi-national corporation in Amsterdam adapt their leadership style to the Dutch culture even though their team consists of employees from Brazil, Germany, Russia, and China?

This current research combines the global and cross-cultural leadership literature by examining how global leadership behaviours are enacted and perceived in multi-cultural teams. In particular, we examine all individuals involved in the leadership interaction, the leader him/herself, their superior, and their subordinates. We explore whether leaders do engage in global leadership practices irrespective of their own or their team's cultural background. In addition, we examine whether the team members' cultural background influence their perceptions of the leader's behaviour. Therefore, we are able to shed some light on how effective leadership interactions are born out of a dynamic interplay of the multiple cultures, which leaders and their superiors and subordinates possess.

Our findings would give insights into questions such as 'Should leaders who want to increase their effectiveness or who want to recruit expatriates focus on a

person-culture fit?’ or ‘Are global leadership practices (see Osland, Bird, Mendenhall and Osland, 2006) are equally effective in different cultures?’. This would inform practices that aim at increasing leadership effectiveness. Our findings are therefore relevant for leadership development of global organizations that aim to enact effective leadership globally and nationally across industries. Our findings are equally relevant for leadership trainings in international business schools that train leaders from different cultures in their programmes.

We first outline current knowledge on global and cross-cultural effective leadership behaviors. We then describe our intended methodology as this study is in progress.

WHAT MAKES A SUCCESSFUL GLOBAL LEADER?

Looking at the global context of the work of many executives, previous research suggests that culture is a dominant variable that influences the leadership interactions in such multicultural dyads (e.g., Dickinson, den Hartog, & Mitchelson, 2003; Gelfand, Erez, & Aycan, 2006; Dorfman, et al., 2012). Cross-cultural research has argued that culture has a strong influence on values, prototypes etc. (culture as the collective programming of the mind; Hofstede, 1980). Relatedly cross-cultural leadership research conveys the notion that a particular country or national cluster can be held up as a reliable prototype of a culture and that leaders (should) adjust their style accordingly to be successful (implicit leadership theory; House, Javidan, Hanges, & Dorfman, 2002; Offermann, Kennedy, & Wirtz, 1994).

Cross-cultural leadership research such as the GLOBE study (e.g. House, et al. 1999; Dorfman, et al., 2012) have sought to predict the impact of cultural variables on organizational processes and leadership. The GLOBE study (House, et al., 1999)

found that in all participating countries, an outstanding leader is expected to be encouraging, motivational, dynamic, and to have foresight. Similarly, outstanding leaders were expected not to be non-cooperative, ruthless, and dictatorial. However, the perceived importance of many other leader attributes varied across cultures. For an overview of the predictive relationship between cultural factors and leadership behaviour see Dickinson, et al. (2003) who review the link between GLOBE cultural dimensions and distinct leadership behaviours. Tsui, Nifadkar, and Ou (2007) and Gelfand et al., 2006 provide an overview of research findings on the relationship between perceptions of leadership, leadership behaviour and job and team behaviours.

As outlined, according to Hofstede (1980) and other cross-cultural researchers, values and cognitive functions are heavily influenced by national identity and therefore have an impact on behavior and cognition in organizational life. However, some scholars criticize this approach for its failure to take into consideration “how the dynamics of leadership shape and determine cultures that supposedly shape and influence leadership. (...) both leaders and followers exert considerable, sustained and often very strategically intentional influence over the contextual factors that can also be looked at as a dynamic social process rather than a static characteristic” (Guthey and Jackson, 2011, p. 166). These authors further argue that while it is dangerous to ignore the importance of national culture, it is also dangerous to overstate it. For example, Denison, Kotrba, and Castano (2012) explored the utilization of 360-degree feedback leadership assessment across cultures and found that the observed differences of self- and observer ratings between cultures were minimal.

The multi-cultural work environment is increasingly becoming the norm in many businesses and we live in an increasingly interconnected business world where a blending of formally distinct cultural, industry, and business borders (Hitt, Keats, &

DeMarie, 1998) is taking place. Therefore, we need to understand the differences in leadership practices from culturally diverse executives as a function of their cultural backgrounds. This would allow for an understanding of how to develop successful leadership behaviour in the context of the global world of work.

Based on the differing arguments on the relative importance of the impact of culture on leadership behavior, the aim of the present study is to discover whether self-ratings of global leaders and ratings of their subordinates and superiors differ in a significant way depending on their culture. The first part of the study explores whether leaders from different cultures (measured through their nationality) display different leadership patterns and whether there are leadership behaviours that are culture-specific.

Research Question 1a: Do global leaders (by definition) rate themselves at the same level on global leadership behaviours irrespective of their culture?

Research Question 1b: Do leaders adjust their behaviour to their observers (subordinates and superiors)?

As the effectiveness of a leader is not only depended on their own (perceived) behaviour but the perception of this by the people they work with (House et al., 2002), the second part of the study explores observer ratings of leaders' behaviours. In particular, we explore whether self- and observer ratings coincide and whether there is an effect of cultural distance on the fit between self- and observer-ratings.

Research Question 2a: Does the culture of observers influence their rating of leaders behaviour?

Research Question 2b: Is the relationship between self- and observer-ratings moderated by culture?

METHODOLOGY

Sample and Procedure

Data was gathered from 12,128 middle and top management executives who attended leadership development programmes at an international Business School in France between 2003 and 2012. They work in 51 different industries such as banking, consulting, and telecommunications and come from 54 different cultures, speaking seven different languages. The sample of executives (self-raters) consists of 77.19% men ($n = 9361$) and 22.81% women ($n = 2767$), who were on average 41.34 years old ($SD = 6.58$). These middle and top managers completed the Global Executive Leadership Inventory (GELI, Kets de Vries, 2005) survey electronically.

Additional data were gathered from 14,518 superiors and 34,332 subordinates who acted as observers of the middle and top management executives. These superiors and subordinates also completed the GELI survey electronically, and will be included in further analyses but not in this particular version of the paper.

Measure

Institutional and In-Group Collectivism. The GLOBE Project established a culture scale with nine cultural dimensions (power distance, uncertainty avoidance, humane orientation, collectivism I, collectivism II, assertiveness, gender egalitarians, future, orientation, and performance orientation) that serve as shared modal values of collectives, i.e. national cultures (House et al., 2002). For the initial analysis of the present research, we focused on the collectivism dimensions. The collectivism dimensions measure the degree to which collective contribution is valued and to what extent the individual feels part of a group (House et al., 2002). Collectivism I measures societal collectivism (example item: “Leaders encourage/should encourage group loyalty even if individual goals suffer.”). Collectivism II measures in-group collectivism that is represented in being proud of and loyal to one’s organization or family or other in-group (example item: “Employees feel/should feel great loyalty towards this organization.”). Low scores represent individual emphasis and high scores collectivistic emphasis.

GELI. The GELI was developed with the aim of furthering the understanding of what successful global leaders really do. Kets de Vries and colleagues (2004) studied top executives who participated in a program at INSEAD entitled “The Challenge of Leadership.” The results revealed twelve main behaviors – the GELI leadership behavior dimensions, described in Table 1.

Insert Table 1 about here

The instrument employs a 7-point Likert scale to indicate how well the scale items describe the participant. The continuum of responses ranges from “does not describe me at all” to “describes me very well.” As an example, one item on the scale reads “I establish a sense of direction in the organization.” The GELI has good reliability ranging from $\alpha = .77$ to $\alpha = .91$ for the subscales (Kets de Vries, et al., 2004).

Analysis

For the analyses of this version of the paper, we focus on eight leadership behavior dimensions from the GELI. We did not include the GELI sub-dimensions of tenacity, emotional intelligence, life balance, and resilience to stress from the analyses, as these behaviours are not directly impacting on followers and superiors. We ran multilevel regression models in which we aimed to predict these eight leadership behaviour dimensions using the institutional and in-group collectivism cultural dimensions of the country that the manager originates from. In these models we included fixed effects for industry, manager gender, manager age, and year. Given the nesting structure of the data, we included multilevel random effects for the leadership development programme and the nationality of the manager.

INITIAL FINDINGS

There are significant relationships between the cultural dimensions of group collectivism and institutional collectivism (see table 2).

Insert Table 2 about here

As shown in table 3, for institutional collectivism, a small negative predictive relationship with energizing and global mindset was found. Further, group collectivism has a positive predictive relationship with all eight dimensions, being a stronger predictor for energizing, designing & aligning, rewarding & feedback, team building, and outside orientation than for the other GELI dimensions.

Insert Table 2 about here

Our initial findings show that specific leadership behaviors are driven by the leader's culture to some extent, in terms of collectivism orientation. The same cultural dimension seems to have consistent effects across several of the leader behaviors. However, the predictive relationships are weak. This creates a clear path for future empirical analyses in relation to our research questions. We will explore whether similar weak relationships between the other GLOBE cultural dimensions and the GELI leadership behavior dimensions are found (research question 1a) and whether observers from different cultures observe the same behaviours of a leader differently (research question 2a). Further, we will explore whether leaders from the same culture/nationality show different or similar behaviours in different multi-cultural team compositions in order to explore whether leaders adjust their behaviour in accordance with the culture of their followers (research questions 1b and 2b).

Limitations

We use nationality of the leader and their observers as a proxy for culture. There are other differences in nations, such as historical developments, level of unionisation etc. (see Tsui et al., 2007) that would explain differences in leadership behaviour between executives coming from and living in different nations. Therefore, the similarities and differences in enacted and perceived leadership behaviour found in this study might be negated by other national-level factors.

We explored the influence of cultural factors on leadership behaviours separately for each factor. Dickson et al. (2003), however, state that different cultural dimensions can be simultaneously active in affecting leaders and followers. This study therefore, is not able to shed light on the dynamic interplay of the cultural factors when affecting leadership behavior.

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TABLES**TABLE 1**

GELI leadership behavior dimensions (adapted from Kets de Vries, et al., 2004, pp. 83-84)

Dimension	Description
Visioning	Articulating a compelling vision, mission, and strategy with a multi-country, multi-environment, multi-function, and gender-equality perspective that connects employees, shareholders, suppliers, and customers on a global scale.
Empowering	Giving workers at all levels voice by empowering them through the sharing of information and the delegation of decisions to the people most competent to execute them.
Energizing	Motivating employees to actualize the organization's specific vision of the future.
Designing and Aligning	Creating the proper organizational design and control systems to make the guiding vision a reality and using those systems to align the behavior of employees with the organization's values and goals.
Rewarding and Feedback	Setting up the appropriate reward structures and giving constructive feedback to encourage the kind of behavior that is expected from employees.
Team Building	Creating team players and focusing on team effectiveness by instilling a cooperative atmosphere, building collaborative interaction, and encouraging constructive conflict.
Outside Orientation	Making employees aware of their outside constituencies, emphasizing particularly the need to respond to the requirements of customers, suppliers, shareholders, and other interest groups, such as local communities affected by the organization.
Global Mindset	Inculcating a global mentality in the ranks; that is, instilling values that act as a sort of glue between the regional and/or national cultures represented in the organization
Tenacity	Encouraging tenacity and courage in employees by setting a personal example in following through on reasonable risks.
Emotional Intelligence	Fostering trust in the organization by creating, primarily through example, an emotionally intelligent workforce whose members know themselves and know how to deal with others with respect and understanding.
Life Balance	Articulating and modeling the importance of life balance for the long-term welfare of employees.
Resilience to Stress	Paying attention to work, career, life and health stress issues, and balancing appropriately the various kinds of pressures that life brings.

TABLE 2

Overview of mean and standard deviation for each variable and correlations between the variables

	Mean	Standard Deviation	Institutional Collectivism	In-Group Collectivism	Visioning	Empowering	Energizing	Designing and Aligning	Rewarding and Feedback	Team Building
Institutional Collectivism	4.36	0.36								
In-Group Collectivism	4.6	0.71	-.25***							
Visioning	5.73	0.59	-.05***	.07***						
Empowering	5.58	0.64	-.07***	.07***	.53***					
Energizing	5.69	0.63	-.10***	.14***	.57***	.60***				
Designing and Aligning	5.33	0.79	-.08***	.17***	.50***	.56***	.62***			
Rewarding and Feedback	5.51	0.71	-.08***	.12***	.51***	.56***	.62***	.62***		
Team Building	5.55	0.64	-.08***	.15***	.52***	.62***	.60***	.58***	.61***	
Outside Orientation	5.54	0.78	-.07***	.12***	.46***	.45***	.52***	.56***	.51***	.56***
Global Mindset	5.57	0.83	-.10***	.07***	.38***	.30***	.34***	.30***	.34***	.44***

Notes. *** $p < 0.001$.

TABLE 3
Regression analysis results

Predictor	Visioning	Empowering	Energizing	Designing and Aligning	Rewarding and Feedback	Team Building	Outside Orientation	Global Mindset
Intercept	4.88*** (17.37)	4.63*** (15.32)	4.77*** (15.87)	3.93*** (10.58)	4.70*** (13.94)	4.61*** (15.20)	4.47*** (12.15)	5.41*** (13.69)
Institutional Collectivism	0.00 (0.09)	-0.02 (-1.09)	-0.04* (-2.14)	-0.02 (-1.01)	-0.04 (-1.65)	-0.03 (-1.71)	-0.02 (-0.94)	-0.15*** (-5.98)
Group Collectivism	0.08*** (8.95)	0.08*** (8.35)	0.12*** (13.30)	0.20*** (17.26)	0.12*** (11.93)	0.14*** (15.29)	0.15*** (12.67)	0.05*** (4.27)
Gender	-0.07*** (-5.30)	0.02 (1.24)	0.09*** (6.43)	0.08*** (4.59)	0.04* (2.57)	0.04** (2.58)	0.04** (2.58)	0.06*** (3.41)
Age	0.01*** (9.64)	0.02*** (16.54)	0.01*** (7.97)	0.02*** (15.44)	0.01*** (10.73)	0.01*** (15.06)	0.01*** (15.06)	-0.00* (-2.18)
Year	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Language	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Training program fixed effects (random intercepts)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Manager nationality fixed effects (random intercepts)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes. *t* statistics in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.